

Old Age, Disability, Death

First laws: 1944 (commerce), 1946 (industry), and 1954 (rural workers). Other laws for special groups enacted 1904-58. Current law: 1993 (implemented July 1994).

Type of program: Dual social insurance system and private insurance system.

Exchange rate: U.S.\$1.00 equals 1 peso.

Coverage

Employed and self-employed persons, except for military personnel.

Source of Funds

Insured person: 11% of earnings. Self-employed, 27%.

Employer: 16% of payroll.

Government: Contributes to social insurance system through general revenues, investments and certain earmarked taxes. Ceiling for contribution purposes, 60 AMPOs. AMPO is the average mandatory provisional contribution, established twice a year, and is determined by dividing the total employee's contributions to the system by the total number of contributors. As of April 1997, the AMPO was 80.

Qualifying Conditions

Old-age pension: Age 63 (men) or 58 (women). The ages will rise to 64/59 in 1998 and 65/60 in 2001. Minimum, 30 years of contribution and service. Insured person may substitute 2 years of age after retirement age for 1 year of contribution.

Retirement age as well as contribution and employment requirements lowered up to 10 years for hazardous or unhealthful occupations.

Advanced age pension, age 70 with 10 years of service and contributions, of which 5 of the last 8 years must be immediately prior to end of gainful employment; self-employed, 5 years of service and contributions.

Pensioner may continue working after retirement with full benefits, except that the retirement benefit will not be re-calculated to include post-retirement earnings.

Disability pension: Reduction of earning capacity by 66% (total disability); employed at time of onset and less than 65 years of age.

Survivor pension: Deceased met pension requirements or was pensioner at death.

Old-Age Benefits

Old-age pension: Consists of 3 levels:

- 1 *Basic universal benefit* (PBU): 2.5 AMPO plus 1% for every year of contribution exceeding 30, up to a maximum of 45 years.
- 2 *Compensation benefit*: (PC) (for service rendered before July 1994) 1.5% of average monthly salary during the last ten years for each year of service rendered before July 1994, up to a maximum of 35 years.

3 Choice of private pension or public pension:

A *Public pension* (PAP): 0.85% of final ten year average salary for each year of contribution paid after July 1994. Maximum benefit: 1 AMPO.

B *Private pension:* insured contributes to an individual retirement savings account managed by a pension fund administrator. Amount of benefit depends on insured's contributions plus accrued interest. Benefits are payable as an annuity or in a specified number of installments. Government guarantees a minimum benefit.

Permanent Disability Benefits

Disability pension: 70% of average salary for regular contributor and 50% for sporadic contributor during the five years prior to onset of disability.

Partial disability: Proportion of total disability pension corresponding to percentage loss of capacity.

Means-tested allowance: Payable at any age to needy disabled persons ineligible for pension.

Survivor Benefits

Survivor pension: 70% of deceased's benefit, payable to widow, widower, or companion, with no children; 50% to widow, widower or companion with children; 20% for each eligible child under age 18 (no age limit if disabled).

Maximum survivor pension: 100% of pension of insured.

Funeral grant: Lump sum of 3 months' minimum wage.

Administrative Organization

National Social Security Administration (ANSES), supervision and administration of public program.

Superintendent of Pension and Retirement Funds, administration of private program.

Sickness and Maternity

First law: 1934 (maternity).

Current laws: 1968 (maternity), 1974 (sickness), and 1980 (medical benefits).

Type of program: Social insurance (medical benefits), employer-liability (cash sickness benefits), and employment-related systems (maternity benefits).

Coverage

Cash sickness benefits: All employed persons.

Cash maternity benefits: Employed women, except domestic servants.

Medical benefits: Employed persons and pensioners, except the military police, and public provincial and municipal employees. Individuals may contract out. Voluntary coverage for formerly employed persons. (Those over 70 years of age with 10 years of residency, and neither insured nor dependent, are eligible for free medical care.)

Source of Funds

Medical benefits: Insured person: 3% of earnings, plus 1% of earnings for each covered dependent besides spouse or children. (Pensioners pay 3-6% of social security pension.)

Employer: 4.5% of payroll, plus 0.9% to Institute of Social Service.

Government: Subsidizes coverage of persons who would not otherwise qualify.

Cash maternity benefits: Financed through family allowance program.

Qualifying Conditions

Cash maternity benefits: 10 months' continuous employment preceding confinement, or 1 month of employment in current position and 6 months of employment in 12 months preceding current position.

Cash sickness benefits: Currently employed or pensioner.

Medical benefits: Currently employed or pensioner.

Sickness and Maternity Benefits

Sickness benefit: 100% of salary for up to 6 months for employees with 5 years of service. Payable twice as long to workers with dependents.

(Commercial code requires employers to pay full wages of employees for 3-6 months of sickness or absence due to non-occupational accidents.)

Maternity benefit: 100% of earnings.

Payable for 90 days. (Insured has option of either 30 days before and 60 days after confinement or 45 days before and 45 days after confinement.)

Prenatal grant: See family allowances.

Birth grant: See family allowances.

Workers' Medical Benefits

Medical benefits: Medical and hospital care. Workers enroll in a public or private facility under contract with the National Institute of Social Services.

Dependents' Medical Benefits

Medical benefits for dependents: Same benefits as insured for wife, sons under age 18 (21 if students, no limit if disabled), and single daughters under age 21 (no limit if disabled). Other dependents of the insured worker are eligible with payment of additional contributions.

Administrative Organization

Ministry of Health and Social Action, general supervision.

National Institute of Social Services, coordination and administration of program through trade unions.

Minister of Labor and Social Security, Secretariat of Social Security, administration of maternity benefits.

Work Injury

First law: 1915.

Current law: 1995.

Type of program: Employer liability/compulsory insurance with private carrier.

Coverage

Employed persons in private and public sector.

Domestic workers, self-employed and others to be gradually integrated into system.

Source of Funds

Insured person: None.

Employer: Whole cost, through direct provision of benefits or insurance premiums.

Government: None.

Qualifying Conditions

Work-injury benefits: No minimum qualifying period.

Temporary Disability Benefits

Temporary disability benefit: 100% of average monthly earnings in 12 months prior to onset of disability; payable until recovery or certification of permanent disability.

Disability presumed to be permanent if it continues beyond 1 year.

Permanent Disability Benefits

Permanent disability benefit: Partial disability: 70% of base earnings times degree of disability plus family allowances.

If disability 20% or less, lump sum benefit equal to 43 times degree of disability and a coefficient resulting from dividing 65 by the age of the worker, up to a maximum of 55,000 pesos.

If disability between 20% and 66%, benefit equal to 70% of base earnings times degree of disability plus total household earnings.

Provisional total disability: 66% or more disability, benefit is 70% of base earnings plus total household earnings. Not entitled to disability pension.

Permanent total disability: eligible for disability pension, family allowances, plus work injury benefit equal to 43 times base earnings multiplied by coefficient resulting by dividing 65 by the age of the worker, up to a maximum of 55,000 pesos.

Workers' Medical Benefits

Medical benefits: Cost of medical attention, appliances and pharmaceuticals.

Survivor Benefits

Survivor benefit: Same as for insured person. Payable in addition to any ordinary survivor pension due.

Maximum: 55,000 pesos.

Payable to spouse or companion, children and/or dependent parents according to social security laws.

Administrative Organization

Superintendent of Work Injury, general supervision.

Work Injury Insurers (ART), prevention of work injury and distribution of benefits.

Unemployment

First and current law: 1967 (construction workers only) and 1991 (social insurance program).
Type of program: Social insurance system.

Coverage

Employed persons.

Source of Funds

Insured person: 1% of earnings.

Employer: 1.5% of payroll.

Government: None.

Qualifying Conditions

Unemployment benefits: 12 months of contributions before the date of unemployment. Must be registered and available for suitable employment, and not be a recipient of any other social security benefits.

Unemployment Benefits

Unemployment benefits: 60% of the highest wage the worker received in the 6 months before the date of unemployment. The duration of the benefit ranges from 4 to 12 months, depending on the length of coverage between 12 and 36 months. Minimum benefit, 1 monthly minimum wage; maximum, 4 monthly minimum wages. With respect to construction industry, upon separation or retirement, employers must pay a severance indemnity of 1 month's wages per year of service up to a maximum per month of 3 times the legal minimum wage.

Administrative Organization

Ministry of Labor and Social Security, general supervision.
National Social Security Administration, administration of program.

Qualifying Conditions

Family allowances: Child must be under age 18 (no limit if disabled).

Marriage and birth grants: Current continuous employment for 6 months.

Prenatal grant: 3 months' employment.

Spouse benefit: pensioners and other social security beneficiaries.

Child benefit: currently employed, pensioner, or other recipient of social security benefits.

Family Allowance Benefits

Family allowances: Monthly benefit level varies by geographic region. Spouse: 15-30 pesos a month. child, 20-80 pesos (times 4 if disabled).

Annual school allowance, 130-520 pesos (doubled if disabled).

Prenatal allowance, 20-80 pesos.

Birth grant: 200 pesos.

Adoption grant: 1,200 pesos.

Marriage grant: 300 pesos.

Administrative Organization

Ministry of Labor and Social Security and the Secretariat of Social Security, general supervision.

National Administration of Social Security (ANSES), administration of program.

Dual system of direct payment: National Administration of Social Security and compensation fund when employer is affected.

Family Allowances

First law: 1957.

Current law: 1996.

Type of program: Social insurance system.

Coverage

Employed persons, pensioners, and other social security beneficiaries. Exclusion: Employees earning more than \$1,500-\$1,800 per month and domestic employees.

Source of Funds

Insured person: None.

Employer: 7.5% of payroll (another 1.5 percent helps to finance the unemployment insurance program).

Government: Cost of benefits for pensioners and other recipients of social security benefits.